

roughshod over the American consumer—the flying public.

The Justice Department, which has been run by officials from both political parties since concentration in the airline industry accelerated, has not fully utilized the antitrust tools at its disposal. As a result, I want to make a proposal this morning: Before the Justice Department clears one more major airline merger, the Federal Trade Commission (FTC) should have to make a public report demonstrating that the merger will not have negative long-term implications for consumers and the economy. The FTC should dig in, hold public hearings to examine these deals, and get to the bottom of the long-term consequences of these airline mergers. It is time to make sure that these mergers don't strand any more airline passengers with too few choices and too many headaches.

The real question is: Is competition in the airline industry working today? In my view, there certainly aren't enough competitive forces in the airline industry to force companies to compete now to improve service.

Actually, some of our constituents report to us that they are left out on the runway for hours with a glass of water. Is it any wonder consumer complaints are at record high levels and some fliers call the departure board at our airports the "delay board"? I think not. I think those problems stem from the lack of competition we are seeing in the airline sector today. This Congress should not stand idly by while a chain reaction of mega-mergers squeezes out whatever competitive juices remain in the airline industry. As I make my proposal for airline mergers this morning, I want to make clear that I am not one who believes that all the mergers taking place in America are bad. Many of the mergers our country is watching have not only not been harmful, they have been beneficial. They have resulted in more efficient companies that ultimately benefit consumers with better service and lower prices.

When it comes to the big airlines, it doesn't look like that's the case. These airline mergers seem to permanently reduce competition. So I believe it's time for Congress and the executive branch to take a time out on airline mergers and assess the long term implications of where the airline industry is headed. The shape of the airline industry created today is one America will have to live with for a long time, and we ought to know what we are getting into. Competition in the airline industry is too important to too many people, who fly to conduct their business and their personal affairs.

Slowing up this airline merger frenzy to look at the long-term consequences, as I propose this morning, is a modest step that the U.S. Congress ought to take now.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of S. 249 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. REID. Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I understand we are in morning business and I have some time assigned to me; is that correct?

The PRESIDING OFFICER. The Senator is correct. Under the order, the time until 11 a.m. shall be under the control of the Senator from North Dakota.

TAX CUTS

Mr. DORGAN. Mr. President, last Friday morning we had an issues conference with the Democratic caucus at the Library of Congress, just across the street from this building. Those of us in the Democratic caucus in the Senate—and there are 50 of us in a 100-person Senate—spent the day talking about the issues we want to raise during this Congress.

We invited President Bush to come by this issues conference, which I believe was unprecedented. As chairman of the Democratic Policy Committee, I recommended we invite the new President. He came and made a very short presentation to us—very general and very cordial. We asked a series of questions, and then he departed. We were very pleased he did come by to our issues conference.

One of the things he said in discussing issues with the Democratic caucus was that when he campaigned for the Presidency, he campaigned on certain issues, and he said: I intend to pursue those issues as President, and there will be time when we disagree, but we should be able to do that without being personal and without being disagreeable. He understands that there are times we will disagree as a matter of public policy, and that is the way democracy works.

There is an old saying that when everyone in the room is thinking the same thing, no one is really thinking

very much. That is certainly true in public policy. The ability in this kind of a setting to have a good aggressive debate on public policy issues, especially controversial issues, benefits the American people. Then we get the best of what everyone has to offer. So let's begin this debate.

The President has proposed that we have a \$1.6 trillion tax cut in this country over the next 10 years. That was not a surprise to us. He campaigned on that throughout this country. That election ended in a dead-even tie, but the members of the electoral college cast their votes, and he is now President. There is not necessarily a mandate for this tax cut, at least one for \$1.6 trillion.

I make the point that this President campaigned on it and yesterday he announced it, and we will in this Congress now begin to discuss and debate the advantages or disadvantages of that particular plan.

There are a lot of reasons for us to say that now is the time to offer a tax cut to the American people. We do have a budget that is now in surplus, and that surplus exists in a measure that will allow some of that money to be sent back to the American taxpayers. That is the way it should happen. There are other uses for that money as well, and we ought to include them.

We ought to pay down the Federal debt with part of it. If during tough times we run up the Federal debt, during good times we ought to pay it down. Not all of that surplus ought to go to tax cuts; some ought to go to reduce the Federal debt. Yes, some ought to go to tax cuts, and then some ought to be used to improve life in this country—invest in education, invest in health care, prepare for the needs of Social Security and Medicare in the future. There is a range of needs and a range of priorities, and that is what I want to talk about today.

Twenty years ago, we had a new President come to this office, President Ronald Reagan. He proposed in 1981 a very large tax cut. In fact, one of the contestants for the Presidency was Republican Senator Howard Baker who called the economic plan that President Reagan brought in 1981 a "riverboat gamble."

President Reagan said we should cut taxes substantially and double the defense budget, and the concurrence of those two policies—cutting taxes and doubling the spending on defense—would result in a balanced budget. In fact, the plan backfired. It did not result in a balanced budget. It resulted in long-term, abiding, deep Federal budget deficits that kept growing and growing. And \$3 trillion was added to the Federal debt in a very short period of time because the plan did not add up—with annual budget deficits of hundreds of billions of dollars.

I make that point only because it has taken years of struggle to try to deal with those annual budget deficits that kept growing like a cancer in our budget. But we did deal with it. Through a

series of public policies and private initiatives, those budget deficits are gone and replaced now by surpluses.

How did they disappear? One, we changed the direction of fiscal policy early in the last decade. We cut some spending and increased some taxes. Some did not like it. It was very controversial. Some of my colleagues said, if we do this, it will throw the country into a recession and throw people out of work. Of course, it did not. It gave the American people confidence that we were going to be on the right track and that finally Washington was serious about getting rid of Federal budget deficits. The result: We had unprecedented economic growth. We then had, as well, diminishing Federal budget deficits to the point where deficits turned into surpluses.

So finally, after 20 years, the accumulated deficits are gone. But we still have a substantial amount of Federal debt that resulted from those annual deficits.

President Bush says, let us decide to cut the Federal tax load by \$1.6 trillion over the coming 10 years. What is wrong with that? Aren't tax cuts always good? Don't the American people always want tax cuts—the bigger the better?

Let me read something written by Allan Sloan, who is a thinker and a journalist that I really respect. This was in today's paper. He describes what is wrong with it, from my perspective. I am quoting Allan Sloan:

There are weeks when you have to wonder whether the American economic attention span is longer than a sand flea's. Consider last week's two big economic stories: The Congressional Budget Office increased the projected 10-year budget surplus by \$1 trillion, and the Federal Reserve Board cut short-term interest rates another half-percentage point to try to keep the economy from tanking.

To me, the real story isn't either of these events; it is their connection. The Fed is cutting rates like a doctor trying to revive a cardiac patient because as recently as last fall, Fed Chairman Alan Greenspan didn't foresee what today's economy would be like. Meanwhile, although it is now clear that even the smart, savvy, data-inhaling Greenspan couldn't see 4 months ahead, people are treating the 10-year numbers from the Congressional Budget Office as holy writ.

Hello? If Greenspan missed a 4-month forecast, how can you treat 10-year numbers as anything other than educated guesswork? Especially when the CBO has for years devoted a chapter in its reports to "The Uncertainty of Budget Projections"?

Should we really be talking about 10 years, \$1.6 trillion?

Abe Lincoln once gave a speech, and he said that an Eastern monarch once charged his wise men to invent for him a sentence to ever be in view and which would be true and appropriate in all times and situations. Working on the problem, they finally presented the following words: "This, too, shall pass away." Abe Lincoln said: "How much that expresses. How chastening in the hour of pride and how consoling in the depths of affliction, this, too, shall pass away."

Because we have turned deficits into surpluses, what has happened in this town is that we have people who believe that this kind of economic growth and opportunity will continue for 10 years unabated.

I thought the definition of a conservative was to be reasonably cautious about things. That, apparently, is not the case. Let's lock in very large tax cuts that have the danger of throwing us right back into the same deficit ditch we were in for so very long.

Let me say this. I believe there is room for a tax cut. I do not believe we ought to lock in large tax cuts for the next 10 years. I do not happen to believe the kind of tax cuts proposed by this President are the kind of tax cuts that we should lock in, in any event. I do not happen to believe that you ought to just say, the tax burden in this country represents the income tax burden people pay, and whatever else they pay is irrelevant. The fact is taxpayers paid over \$600 billion in payroll taxes in this country last year, and that is relevant because three-fourths of the American people pay more in payroll taxes than in income taxes.

But this plan proposed by President Bush says: Ignore that. That is not a tax burden that counts. All we are concerned about is giving back some income tax. And, by the way, we will give it back on the basis of who paid it, and so our giveback plan is that the largest payers get back the largest refunds.

I do not think that is good policy. I do not think it is conservative. I do not think it is good for this country.

Let me go through just a couple of charts that describe the choices we are going to make.

These are budget choices and tax choices: Should we risk slipping back into big deficits or should we move forward and build on recent economic successes? I think almost everyone would say that is a choice which is very simple: Let's build on these economic successes.

If that is the case, then what are the risks of the fiscal policy we choose? What are the risks of deciding that we can see 10 years out? Everyone here knows that is not the case. That is foolhardy. We cannot see 6 months, 2 years, 3 years, 5 years, or 7 years out. We can't see that far. We do not know what is going to happen.

Does anyone in their own family budget think they have the opportunity to understand what is going to happen 7 years or 10 years from now? They don't. Yet that is exactly what we are being told by the President and his economic advisers: Lock in a \$1.6 trillion tax cut because we know what is going to happen for the next 10 years. That is, in my judgment, very risky for this country.

The Congressional Budget Office does an analysis of what might or might not happen.

Let's look at the difference in optimistic versus pessimistic presumptions. If you want to take an opti-

mistic view of things, if you want to always look for a pony in a manure pile—you always think there is good news just around the corner—you can ride on this top line. But what if it is wrong? What if it is this bottom line? What does that mean for the country? What does it mean for kids going to schools in disrepair? What does it mean for kids going to school in classrooms where there are 32, 34 kids in a classroom? What does it mean for a woman who has diabetes or heart trouble and can't pay for her medicine because Medicare does not cover it?

If you make the wrong choice—and we have a huge tax cut that lasts 10 years, when the economy is soft, and we are back into deficits, it means there is no money for education, no money for prescription drugs in Medicare, and no money for health care.

The President proposes that we can see 10 years out, and with the surplus that we expect for 10 years out we can propose massive tax cuts. Eighty-five percent this is the \$2.2 trillion that people say really is the cost of what the President says his tax cut is—and there is very little money left for debt reduction, which, in my judgment, ought to be a priority. It seems to me, one of the things that ought to rank high here is reducing the Federal debt during better times. If you run it up during tough times, reduce it during good times.

Prescription drugs in Medicare, we ought to do something in that. We know of the challenges in education. They say that defense is going to need more money. This administration has talked about substantially more money for defense. You also have agriculture, Medicare reform, Social Security reform. And how about a rainy day fund. Should there be something set aside in case something goes wrong with our economy? Yes, I believe so.

Those are some of the considerations. And President Bush's plan is a tax cut that has a relatively small cut in the first year but permanently is backloaded with huge tax cuts in the 10th year. What that does is, it puts us right back in the same circumstances that we found ourselves in in the 1980s, in my judgment.

Some say, this public debt is all coming down. Let me take a look at this chart. We have a long way to go to reduce public indebtedness, and it ought to be a priority. What better gift to America's children, to remove that yoke of indebtedness around their shoulders. It ought to be a priority. It is, in my judgment, a conservative ethic to decide one of the priorities is to reduce debt.

Finally, let me make the point that we are going to discuss this at a time following the longest economic expansion in this country's history, when we see a weakening of the economy.

Let me hasten to add, this is not a surprise. Seven months ago, Alan Greenspan decided the American economy was too strong. He and his brethren at the Federal Reserve Board

locked their door because they are the last place in town that locks their door to keep the public out. It is the last American dinosaur in our Government. They locked their door. They make secret decisions. And 7 months ago they said: Our economy is too strong. It is growing too fast. We have to slow it down. We are going to increase interest rates.

Seven to eight months later, where are we? Planned job cuts at Montgomery Ward, Daimler Chrysler, Lucent Technologies, Sara Lee, and General Electric—potentially 80,000. This morning EToys is broke. This economy is softening far beyond the imagination or expectation of the Federal Reserve Board. But no one should be surprised by that. The Fed insisted that the economy was growing too rapidly, and they wanted to slow it down some. Don't call this economic slowdown anything other than Federal Reserve Board strategy.

Having both studied economics and taught economics in college, it is useful to ask the question, notwithstanding the Federal Reserve Board action, has anyone really repealed the business cycle, that cycle in which you have economic expansion and contraction? It is inevitable. We have economic stabilizers to try to even it out a bit more, but has anyone been able to repeal the business cycle? The answer is no. As a result of that, we have economic contractions, notwithstanding what the Fed does. When those contractions exist, we will hope they are minor.

But the point of all of that is, we should not decide to lock in very large tax cuts for a 10-year period when we can't see out 2 years. The Fed can't see out 7 months. It is risky for this country, risky for our economy and our children, to do that.

Some, I suppose, can't help it; it is just habit forming. There is a story about how elephants with circuses are able to be tied to the little metal posts. If you ever go to a circus, you see the elephants. They have a metal cuff around their leg and a chain. The chain goes to a little metal stake pounded into the ground. You wonder, how can that stake hold an elephant that weighs thousands and thousands of pounds?

The answer is that in Thailand, when they catch the elephants, what they do is they put that cuff around the elephant's back leg with a chain, and they tie the other end to a big banyan tree. That elephant, for a week or two or more, will pull with all of his might and all of his energy to get away. But he can't shake that banyan tree. Finally, the elephant simply discovers: With that cuff on my leg and that chain, I can't move. They take the other end off the banyan tree and put a little stake in the ground, and the elephant never moves. He is chained by his habit. He can't move, so he doesn't move.

There is a lot of that in this policy we see these days. This is a policy born

of habit. The minute you have some good economic news, you decide you are going to offer a very big tax cut and it doesn't matter what the consequences are.

I mentioned when I started that there are a lot of ways to provide a tax cut. I happen to believe there is room to have a tax cut in this country now. But people pay income taxes, and they pay payroll taxes. They pay a range of taxes, income and payroll being the two largest. The President's proposal, like a lot of others, says the only taxes that really count are the income taxes and we will give you a portion of them back.

What about the people at the bottom of the economic ladder who pay payroll taxes? Three-fourths of the American people pay more in payroll taxes than in income taxes. Yet no one ever talks about giving them something back. Why not? How about those who work at the bottom rung of the economic ladder, many of whom pay no income taxes because they don't earn enough income? How about giving them something back in terms of the heavy payroll taxes they pay? How about making sure that when you provide a tax cut, the tax cut is fair across the board, not just provide very large tax cuts to the people making three, four, five hundred thousand, and more, millions a year, and then just small crumbs to the people at the bottom, if any at all.

This economic engine of ours works because a lot of people are out there working, some at the top, some at the bottom. Don't diminish the efforts of those at the bottom. They pay taxes, too. They get up in the morning. They work hard all day. They pay taxes. They pay the same rate of payroll taxes as the richest Americans pay on their salaried income. So how about some help for those folks.

What I would prefer we do in a tax cut plan would be to propose a 2-year tax cut plan for this country, and, at the end of 2 years, to evaluate: Do we have continuing surpluses? Is our economy good and strong? And if so, then we should continue those tax cuts. What I would suggest is that we provide a tax cut over the next 2 years that represents a percentage cut in income taxes paid, plus payroll taxes paid. Add those burdens together and take a percentage of that and provide a tax cut for 2 years based on that. That recognizes then that people at the bottom who are paying payroll taxes also ought to get a percentage of that back.

I am not saying we should eliminate money from the trust fund. Let that go into the trust funds. I am saying that when you measure the burden of taxes, measure the Federal income taxes paid and the payroll taxes paid and provide a percentage of that and give it back. And I would have a maximum of perhaps \$1,000. That is a way to give a tax cut in a manner that is fair and in a manner that makes sense.

Second, as we talk about taxes, there is one other thing we ought to do. I

have been working on this for a couple years. I have introduced it with a couple of my colleagues. It is called the FASST plan—the Fair and Simple Shortcut Tax plan. Over 70 million Americans can pay income taxes in the future, if we adopt this plan, without ever having to file an income tax return. Your withholding at work is your actual tax liability. Check a few additional boxes on your W-4, one of which says I am a homeowner, yes or no, and your actual withholding becomes your actual tax liability. No waiting in line on April 15 at the post office. No more audits. Over thirty countries have return-free tax filing systems for most of their taxpayers. We could, and we should.

Seventy million Americans can avoid having to file income tax returns in the future if we pass the Fair and Simple Shortcut Tax plan I propose. That also can be done in a way that reduces taxes, because in order to do that, you would eliminate taxes on the first increment of interest, dividend and other investment income that families have.

I won't go into all of the details of my plan, but it makes sense, if we are talking about substantial changes in our Tax Code, to consider simplifying the Tax Code at the same time. Those are a couple of things I think we should do. We ought to recognize that payroll taxes count as well. That is part of the tax burden. We ought to do something that recognizes that.

Finally, let me talk for a moment about the alternatives. If we decide to lock in a 10-year tax cut, a very sizable proportion, there will not be any money left to pay down the Federal debt, which, as I said, I think ought to be a priority, and, second, to make needed investments which we know are necessary.

I have talked before about a couple of people. I will do it again. We know it is a priority to provide a prescription drug benefit in Medicare.

I was in Michigan, ND, one evening. A woman came up to me after a town meeting, and she grabbed hold of my arm. She was perhaps in her late seventies, early eighties. She began to speak to me about the prescription drug medicine she had to purchase. Then her chin began to quiver, her eyes filled with tears, and she said: I can't afford to buy these prescription drugs. I don't have the money. I know I need them. The doctor says I must take them, but I don't have the money. Her eyes were filled with tears, and she turned away from me. That goes on all across this country, people who need prescription drugs, living on Medicare, but they don't have the money.

Do we have needs to respond to in those areas? You bet your life we do. That ought to be a priority.

I have talked about Rosie Two Bears, a third grader in a school that is dilapidated, in a school where kids sit at desks 1 inch apart in crowded classrooms in a school, part of which has been condemned, in a school that has

classrooms where they have to evacuate because the sewer gas comes up a couple times a week. And little Rosie Two Bears says to me: Mr. Senator, are you going to build me a new school?

I can't build her a new school. I don't have the money to build her a new school. She and so many others around this country need a school that is renovated and modern and capable. When she walks through that classroom door, we do her and others a disservice by not having a first-class facility for her to be educated in. Is that a need for us? Yes, that is a need.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. I ask unanimous consent to proceed for an additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. We have many needs and many priorities, one of which is, yes, let's provide a tax cut. Let's make it fairer.

Second, let's not have a 10-year tax cut locked in so that we put this country's economy at risk and throw us back into Federal deficits.

Third, let's also pay down the Federal debt while we have some surpluses. What better gift to our children than paying down the Federal indebtedness we ran up during tougher times.

Fourth, let's not provide a tax cut that is so large, the bulk of it will go to the upper income people, in a way that would prohibit us from having the resources we need for education, health care, and other areas that we know need additional investment in this country. Those ought to be our priorities.

I say to the new President, I am interested in working with him and others. Having an aggressive, good debate about fiscal policy is not personal, and it shall never become personal. We have different ideas about the priorities in this country. We need to debate that in the coming months. I intend to talk about that because I believe so strongly that we ought to do all of the things I have described in order to give us an economy that will continue to grow, prosper, and provide opportunities for all Americans.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from Idaho.

Mr. CRAPO. Mr. President, I have been here on the floor listening to the debate. I am very pleased that we are engaging in a real debate about the possibility of meaningful tax relief. I have worked since I was elected to Congress, about 8½ years ago, to try to reform the Tax Code. I hope our debate over reducing taxes does not cause us to lose sight of the fact that we have to ultimately reform our Tax Code. Taxes are not only too high but too complicated, and the cost of simply complying with the Tax Code is a burden the people must see removed.

Tax relief. Why are we debating so much about tax relief right now? What

is the thing that caused us to come together? It is the fact that President Bush has been elected and has followed through on his campaign commitment to propose a \$1.6 trillion tax cut to the American people.

I want to go through what it is President Bush has proposed. We have had a lot of debate about whether it is good or bad to have a tax cut, but not a lot of details about what President Bush is proposing we do. The President's tax relief proposal is fair and responsible. It provides a typical American family at least \$1,600 in relief. They get to keep at least \$1,600 of their own money that they are now sending to Washington with these skyrocketing surpluses, which I will talk about in a moment, which are growing. The typical American family is defined in this context as a family of four with one wage earner who earns \$50,000 annually. I will give you more statistics about what this means for other types of situations.

For example, the President's proposal gives a tax cut to every single family in America who pays income taxes. What does it do? It reduces the current five-rate tax structure to a four-rate tax structure and reduces every tax rate. Every taxpayer who is in any tax rate—in any tax bracket—will receive relief. Right now, he is proposing that we move to a 10-percent, a 15-percent, a 25-percent, and a 33-percent tax bracket.

For those of you who don't follow tax brackets, currently the lowest is 15. So if you are in the lowest income category, paying the lowest rates of income taxes, you will see your tax rates go from 15 percent to 10 percent—a 33-percent reduction for that tax bracket alone. The tax reductions are lower as the rates go higher, in terms of percentage of income.

It doubles the child tax credit to \$1,000. It reduces the marriage tax penalty.

I think we ought to eliminate the marriage tax penalty. I have cosponsored legislation which does that. Many of us will be trying to see if that total elimination of the marriage tax penalty can be worked into this package.

It eliminates the death tax and expands the charitable tax deduction.

What does this mean? It means that one in five families with children now who are paying taxes will no longer pay any tax at all. Six million families, those at the lower income levels, will be totally eliminated from the tax rolls. A family of four making \$35,000 would get a 100-percent tax cut. A family of four making \$50,000 would receive about a 50-percent tax cut. A family of four making \$75,000 would receive about a 75-percent tax cut. The marginal income tax rate on low-income families will fall by over 40 percent.

The current Tax Code is unfair to a single mom paying \$25,000 a year. She pays a higher marginal tax than somebody making \$250,000 a year. That will

be changed under this tax proposal. Federal taxes today are the highest they have ever been in peacetime America. Americans pay more now for taxes than they spend on food, clothing, and housing combined. Americans work more than 4 months out of every year just to pay their tax bills. The current high tax rates are keeping low-income taxpayers out of the middle class.

Recent business layoffs show that the economy needs a boost quickly. Those layoffs are not a reason not to have tax relief; they are a reason we need tax relief.

The critics—and there are always critics—are throwing everything they can at this tax relief proposal. I am in my ninth year in Congress, with 6 years in the House and almost 3 years in the Senate. During the entire time I have served in Congress, we have fought for tax relief. We have put forward bill after bill. We have put forward every kind of idea you can think of to get the President and the administration and those who oppose tax relief in this city to support something.

Every time in the last 8½ years, whatever we have proposed, whatever it is, has been attacked as a "tax cut for the wealthy." I start to wonder if anybody who pays taxes is defined as wealthy. When we get a proposal such as this one that benefits everybody in America and gives higher percentages of relief for those at the lower income level, it is attacked as what? A tax cut for the wealthy.

It seems there is not ever going to be a tax cut that is acceptable to those in this country who want to keep taxes high so they can keep spending high. That is what this debate is about. Make no mistake about it; We are now seeing that the record levels of spending by this Federal Government are not enough to those who want to see spending increased even more. We have projections of \$5.6 trillion of surplus in the next 10 years, and that is not enough.

We have to say that a \$1.6 trillion tax cut is going to threaten our country. The reason it is a threat is that there are those who believe that from cradle to grave this Federal Government must take care of you. In order to do so, it has to have your tax dollars. Spending at the Federal level is the ultimate objective.

Let's talk about that surplus. The latest projections are for a \$5.6 trillion surplus. One of the battles we have won in the last 8 years since I have been in Congress is that we have stopped the Federal Government from robbing the Social Security surplus and spending Social Security dollars, masking excess spending. We don't allow that to happen anymore, and we won't here.

If you take out the Social Security part of the surplus and the other off-budget portions of the surplus, that is about \$2.5 trillion, leaving somewhere in the neighborhood of \$3.1 trillion of non-Social Security on budget surplus

over the next decade. President Bush is proposing that we give tax relief for \$1.6 trillion of that.

You have heard the argument made that it is risky; we can't project 10 years and be accurate. That is true. In the 8 or 9 years I have been here, I can't remember a year when we got it exactly right. But I can remember that every year we got it low. We used conservative estimates. We have built in downturns in the economy. Frankly, if we find that even these conservative estimates are not too low—and I will note that they are upgraded every month now, showing that they are low—we can adjust things as we move along. To scare people out of a tax cut by saying we don't know for sure is simply another argument by those who never want to see taxes cut.

We have an opportunity to reduce taxes in a significant way, and we ought to take it.

Let's talk a little bit about what the positive effect of tax relief will be. Tax relief is going to have the immediate effect of helping families, businesses, and communities save and invest more while moving in a direction toward reforming the Tax Code. Prompt action will also improve the economic environment and strengthen consumer confidence.

By the way, those projections we use are what we call static projections. As we project, we are not allowed to assume reduced taxes will stimulate economic activity. We have to assume that every dollar of taxes that we cut is a dollar of lost revenue to the Federal Government.

Experience shows us that in many of the areas where we reduce taxes the increased stimulation to the economics of the country actually generate increased revenues. Every time so far that we have cut the capital gains tax, the revenues from the capital gains tax have gone up—not down—because it has allowed more capital transactions to take place in this country. We are not allowed to take any of that into consideration. But tax relief will—mark my words—allow for more investment, will allow for more safety, will strengthen consumer confidence, and will stimulate and strengthen our economy.

Recently Alan Greenspan was emphatic about the superiority of tax cuts to spending increases. He said: If long-term fiscal stability is the criterion, it is far better, in my judgment, that the surpluses be lowered by tax reductions than by spending increases.

That is what the debate is about. This debate is not about whether to pay down the debt or to reduce taxes. This debate is about whether to keep taxes high so this Government can continue its increasing appetite to spend Federal dollars and pull control over the economy and over people into Washington. The argument is made that we should reduce the Federal debt first. Frankly, I agree with that.

I strongly believe that our highest priority should be to pay down the Fed-

eral debt. Alan Greenspan pointed out that with the surpluses we are seeing now we are paying down the Federal debt at a rate about as fast as we can.

There are certain instruments out there that go beyond the 10-year time-frame with which we are dealing—public debt instruments—and if we buy those down early, we will actually have to pay a premium in order to do so.

His point was that if we continue our current rate of paying down the national debt, we can do so and have this tax relief.

We have already reduced the national debt by \$360 billion. We reduced it last year by \$224 billion. Even assuming this tax relief package goes into place, in 5 years we will have paid off more than half the Federal debt, and in 10 years we can pay off most of it—still working on both areas where we have debt instruments that are out there beyond the 10-year time cycle.

Make no mistake about this either. We are committed to paying down the national debt, and we will pay down the national debt. But stopping a tax relief package is not going to accelerate that process. Stopping the tax relief package is simply going to accelerate the opportunity for Federal spending sprees as we go into our appropriations cycles in this Congress.

I think it is important that we get this debate in its proper perspective. Our goal here is to improve the quality of life for all Americans. The argument has been made about this tax package that, well, it is going to stop us from being able to make needed investments in areas that we have to invest.

Remember those budget surplus numbers I talked to you about earlier. Even if they are not adjusted up anymore, we are going to have somewhere in the neighborhood of \$1.5 trillion over the next 10 years after the tax relief package; after saving all the Social Security surplus and other off-budget surplus dollars to use for strengthening things where we have legitimate needs for Federal spending.

For example, America's failing schools still fail to deliver a world-class education; and President Bush has proposed to make sure not one student is left behind.

Our national security needs some strengthening. We can assure that we have an effective defense against ballistic missile attacks; that our military's aging equipment and personnel shortages are addressed; Our health services and programs for the elderly are out of date and need reform and strengthening.

Those things can happen. We can address the needs of this country without being caused, by the politics of fear, to think we don't have an opportunity for tax relief right now. That is what it ultimately gets down to.

This time, as well as every time in the last 8 years, we will try to talk America out of a tax cut. They will use what I call the politics of fear. They will say we can't protect you if you do

not let us have these tax dollars; that we can't do what is needed to make sure that your life is made safe; and that if you allow this tax relief package to go through, then all kinds of terrible things are going to happen to the economy.

The truth is, this is a modest tax relief proposal given the potential surpluses we see growing; and as we move forward this country will be strengthened—not weakened—by a resolve to reduce the tax burden paid by the American families.

Again, we pay the highest rates of taxes today than we have paid in peacetime America. We have some of the highest surpluses ever. We can protect Social Security and strengthen our country, and we can do so if we will properly address the issue of tax relief.

I encourage us to move forward quickly to pass this tax package.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume up to 15 minutes. I may not use all 15 minutes, if there are other speakers waiting to come to the floor.

I have been asked by the manager of this bill to accommodate Senator DURBIN by adding 11 minutes at the end of the time of morning business for Senator DURBIN, and in the process of my doing that for Senator THOMAS, I need to apologize to the Senator from Louisiana, Ms. LANDRIEU, because she asked to do the same thing. I guess we weren't at that point so accommodating because I said I would accommodate her at 3 o'clock this afternoon. I apologize to Senator LANDRIEU.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, this morning, and a lot of times during this debate over the next 4 or 5 months on tax legislation, we will hear a lot of economic arguments. I don't want to detract from those economic arguments as not being good arguments, but I think they are tailored to fit the pattern of people who have a political philosophy that believes more money running through the Federal budget, and through the Federal Treasury, as a percent of our gross domestic product is a better thing to do.

They believe that a political decision made by Senators and Congressmen and a President on the distribution of goods and services within our country is better than leaving the money in the pockets of the men and women who are working in America to pay those taxes to decide how that money should be spent. We may not talk about it enough, but our philosophy for those of us who are fighting for tax relief for every taxpayer in America is that we believe there is more economic good done for America—and creating jobs in America and having a better life in America—if the money does not come through the Federal Treasury; or at least if less of it comes through the

Federal Treasury and more is spent and invested by individual working men and women, entrepreneurs, and people who create jobs; or even if the money is spent by consumers. We believe that by having the marketplace and willing buyers and sellers make that determination of how the money should be divided creates more jobs, and turns over many more times in the economy than if the money comes through the Federal Treasury, and there is a political decision on how it should be distributed.

Those are honest political and philosophical differences between our political parties. They are honest differences, but one has great faith in government to make decisions; the other one, mine, has great faith in individuals to make decisions. My philosophy will create more jobs. Since government does not create wealth, government distributes wealth or expends wealth, there aren't as many jobs created in the process. When the government actually creates a job, it is a job that consumes taxpayers' money, not creating wealth.

These economic arguments are very good, but I feel more comfortable applying a little basic common sense to the whole argument of a tax cut; a little common sense to offset a lot of Washington nonsense. It is common sense that we have a tax surplus. We haven't had a tax surplus except in the last 4 or 5 years. Before that, I have to admit, Congress was very fiscally irresponsible with budget deficits. We had some tax surplus in the Social Security account, and we still have it, but it was meant to cover up irresponsible spending on the other side. That is behind us now that we have had a new Congress for the last 6 years, going on 7. We have not only budget surpluses, but surpluses beyond budget surpluses; those are tax surpluses.

It has reached a point, because of automatic bracket creep, where people earn more and they are put in higher brackets. That money is coming in at historically high levels of taxation. Automatic bracket creep comes because people get put in a higher bracket and there isn't enough reduction in the tax brackets through the inflationary adjustment to offset that. Consequently, we have automatic tax increases on people without a vote of Congress. As a result of bracket creep as well as other enacted tax increases, taxes are now at 20.6 percent of gross domestic product, whereas over a 50-year period of time it was somewhere between 18.5 and 19.5. Historically, the economy has adjusted itself to that level of taxes. I think the people have accepted it as a reasonable rate of taxation. But they don't accept this historical high of 20.6 percent. That is why we are having the demand for tax relief for every taxpayer.

Common sense dictates if we are going to keep this level of taxation up, that it is going to be burning holes in the pockets of Senators, Congressmen,

and even Presidents to get spent. Those expenditures are generally on a continuing basis and an obligation always on the Federal Treasury. We want to discourage the level of expenditures growing as it did over the last 3 years, an average of 6 percent, twice the rate of inflation; or last year, 11.9 percent, three times the rate of inflation. That is not sustainable because taxes aren't coming in at that level. Even if they were coming in at that level, we would not want to have the level of expenditures that high because sometime there will be a downturn in the economy, and when that income goes down, expenditures don't go down to adjust to the income of the Federal Treasury.

Common sense dictates we have to take some money out of Washington, DC, and leave it in the pockets of the taxpayers of America so we aren't the overtaxed nation that we are, that we are more where the historical level of taxation has been for 50 years.

Now is the time to do that, to make up for the real bracket creep we have had, these automatic tax increases we have had, where we have reached the point where the average taxpayer is spending more on food, clothing, and shelter than they are spending on taxes. We will give tax relief to working men and women, to taxpayers in America, because of this high level of taxation, because we don't want money burned up in Washington, DC. We want to keep the money out of Washington, DC, leaving it in the taxpayers' pockets.

There is 50 years of common sense behind that because that has been the level of taxation, 18 to 19 percent of the gross national product.

We need to understand the taxpayers trust themselves with the money more than they trust the Internal Revenue Service. We will hear the tax relief that I am talking about is labeled a risky scheme. The only scheme is Washington's insatiable appetite for more and more of the working men and women's hard-earned tax dollars.

There is a threat, we are told, that we can't continue to pay down the national debt. We can continue to pay down the national debt. We will continue to pay down the national debt. We are going to continue to pay down the national debt until we get to that point where Chairman Greenspan has advised that you can't pay down any more national debt because there is about \$1 trillion of the national debt that is held by individuals who want the security of the Federal Treasury for their savings. They have bought 30-year Treasury bonds, and about \$1 trillion of those are not callable. In about 6 or 7 years, we are going to reach the point where there is money coming into the Federal Treasury, that if these bonds are not callable, you don't pay down the national debt anymore, you start having the Federal Government invest in the stock market, buying other bonds, buying other stock, or at the very least, as the law requires now,

to invest in federally insured financial institutions and then have an inordinate political impact upon the economy when that enormous transfer of billions and billions of dollars is put into the private banking system. That caution is not urged by Senator GRASSLEY. That caution is urged by Chairman Greenspan.

I assure people we are going to continue to pay down on the national debt. Taxes are so high we have reached the point where a two-wage-earner family, particularly if they are middle-income or below, one-wage earner is working to put food on the table and a roof over the head and just to provide for the family; the other one is working to pay for the Washington bureaucracy. That isn't how a family gets ahead.

For a family with a \$50,000-a-year income—this will probably be a two-wage-earner family; it wouldn't have to be but it could be—but for a \$50,000 income family of four, their taxes now are about \$4,000, on average. Under the President's proposal they drop down to \$2,000. Consequently, that will leave in the pockets of those working men and women income for them to decide on their own how that money can be better used, whether it is saved for college education, pay more down on credit card debt, pay more down on the house mortgage. They may want to spend it, but that family making a determination of how to spend it is going to do more good for the entire U.S. economy than anything else.

We have also been urged this morning: Don't get locked into a tax cut—this is where the trigger mechanism comes in—and that maybe we ought to have automatic increases in taxes for 4 or 5 years down the road in case something unpredictable happens.

We do not need to worry about that. Common sense tells me that it is easier for Congress to increase taxes than to decrease taxes. We do not have to have an automatic trigger. It is not good for the economy to have it anyway because working men and women are going to perform according to the predictability of the Tax Code, and we should make sure it is predictable.

My time is up. I assure my colleagues, we do not have to worry about triggers because we have only had two tax decreases in 20 years, but we have had Congress vote tax increases in 1982, 1984, 1986, 1990, and the biggest tax increase in the history of the country under President Clinton in 1993. So we do not need an automatic trigger. If we need to increase taxes, Congress can do it, and common sense tells me that we will do it. I yield the floor.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Wyoming.

Mr. ENZI. I thank the Chair. Mr. President, it is always an exciting day when an accountant gets to talk about taxes.

The American people have had some concerns over taxes for a long time. If you were to throw that into a list of things about which they are concerned,

it would probably come out at the top. Do they think there is going to be tax relief?

I ran into a song written by a guy named Roger Miller that sums up the trust people have in the Federal Government giving them some tax relief, and it goes something like this:

Well, you dad-gum gov'ment

You sorry so 'n' so's

You got your hands in every pocket of my clothes

Well, you dad-gum, dad-gum, dad-gum gov'ment.

Well, you dad-gum gov'ment

You sorry rackafatchits

You got yourself an itcha

And you want me to scratch it

Well, you dad-gum, dad-gum, dad-gum gov'ment.

The President is coming through with relief on the burden of every taxpayer—every taxpayer. I am in support of President Bush's relief proposal. It is time to ax the tax and cut the burden down to size.

I applaud President Bush in acknowledging that surplus revenue is a tax overcharge. It is time to stop the overcharge. It is time to return the money to the American people. It is time to relieve the burden on all the taxpayers.

Americans deserve tax relief. Right now Federal taxes are the highest they have been in America during peacetime. Americans pay more in taxes than they spend on food, clothing, and housing combined. Most people work more than 4 months each year just to fund their government. It is time for the Federal Government to get its hands out of the pockets and allow them to keep more of their own money.

President Bush has proposed tax relief for every taxpayer. That is right; if you pay taxes now, you will receive tax relief under President Bush's proposal. As an example, a family of four who earns \$50,000 a year will receive tax relief of \$1,600. That is a 50-percent reduction for those families.

Right now I can tell you \$1,600 will go quite far in my home State of Wyoming. For most folks, that will pay for 1 or even 2 months of mortgage payments. It will cover a year's worth of gasoline for two cars. It will cover the cost of a year's tuition at many of the community colleges. It will cover the cost of groceries for 4 months for many people in my State.

Most importantly, President Bush and the Republican Congress trust the American people themselves to spend their own money as they see fit.

President Bush's tax relief will simplify the code while providing relief for all Americans. That is another place where we have a huge burden: The amount of time that it takes to get the information together to see if you owe or if the country is going to give you back some of what you paid.

This plan replaces the current five rates with four lower rates of 10, 15, 25, and 33 percent. As such, this tax rebate legislation takes an important step in simplifying our terribly complex code, while allowing all taxpayers to keep more of their own money.

Instead of attempting to pick winners and losers—beware of the tax plan that starts out with: Don't give any money to the rich; just give it to the poor. You will find that under the definition of "rich," anyone who pays taxes is considered rich and will not get money back. Watch the wording. Watch the details.

We cannot have a bill that attempts to pick winners and losers and makes tax relief a lottery, particularly including those who do not pay.

The President's tax plan honors the contribution of all Americans and recognizes they can spend their own money better than the Federal Government.

In addition to a simplified lower tax structure, President Bush's tax proposal will benefit families by doubling the child credit from \$500 per year to \$1,000 a year. It lowers the marriage penalty. It kills the death tax.

This is a tax policy that puts its money where its mouth is. The current Tax Code punishes marriages and savings. The Bush proposal rewards marriage, rewards parents, rewards savings. This plan recognizes the enormous burdens that many parents are under and provides some hard-earned relief for each and every taxpaying family in the United States by returning to them part of the tax overcharge that has made this historical surplus possible.

While this tax relief proposal will benefit all taxpaying Americans, it especially helps middle-class families who are the backbone of our economy. Those receiving the largest percentage reduction in their Federal income taxes will be those in the middle class.

For example, a family of four earning \$75,000 a year will see their Federal taxes reduced by 25 percent. The same family of four earning \$50,000 a year will benefit from a 50-percent reduction. If a family of four earns \$35,000 a year, they will pay no Federal income taxes under President Bush's proposal.

This tax proposal is part of a three-prong strategy to save Social Security, pay down the debt, and return a portion of the tax overpayment to the people responsible for it: the American taxpayers.

For decades, the Democrat-controlled Congress spent the Social Security surplus on a variety of programs. Under a Republican-controlled Congress, the Social Security surplus is being protected so that it will be there for present and future retirees. It is now time to return a portion of the non-Social Security tax overcharge to the American people.

There are those on the Democratic side of the aisle who say we cannot afford tax relief for Americans because we need to spend the money to pay down the Federal debt. If I really thought they were serious about this, I would be more inclined to listen. The problem is, in the 4 years I have been here, I have not seen their actions back up this rhetoric.

I have been working with my colleagues, primarily Senator ALLARD and Senator VOINOVICH, to actually implement a policy that ensures we pay off the entire publicly held debt regardless of whether all the budget surplus numbers materialize. We have tried at least six different approaches. Guess how many Democratic cosponsors we have had on any of those proposals? Zero.

Our Democratic friends love to talk about debt reduction, but when it comes time to vote on a tax cut, when it comes time to vote on debt reduction, their enthusiasm disappears as soon as the next appropriations bill hits this floor; and they envision 1,000 ways to spend that same surplus. They say: Don't lock us into \$1.6 trillion of tax relief. Don't lock us into that.

Do you know what spending does? Spending locks the American taxpayer into an eternal debt. Do you ever see us stop a program? Do you ever see us hold a program at the same level? Every program continues; every program gets an increase.

We talk about how the cost of living is going up, and we better spend more on that program to cover the additional costs of that program for the cost of living. Then we expect to increase it on the basis of whether it is a good program. The evaluation isn't whether it is good or bad. We lock things in. Every time a dime of the American taxpayer's money is spent on a new program, that dime is obligated, year in and year out, for their generation and generations to come.

Tax relief isn't locked in quite that well, as people have noticed when they have had their taxes raised in previous years.

A tax raise can happen. Tax raises happen more often than spending cuts. So don't talk about locking in a tax cut, particularly with the hope of being able to put it into new programs.

There is also talk about the need to reduce payroll taxes. The Bush plan reduces payroll taxes. It reduces that portion of the payroll taxes that are income taxes. It does not yet deal with that portion of the payroll tax that is Social Security or Medicare. Those are two programs funded separate from the Federal income tax. Those are two programs that must be reformed. To make statements on the floor that we are going to reduce those payroll taxes without putting reform in place says that we do not care about the future of Social Security and Medicare. We do. We need the reform. The payroll taxes that are involved with Medicare and Social Security have to be taken into consideration as part of that reform.

And the rich versus poor: That is an attempt to start class warfare. The idea is to relieve the tax burden of every taxpayer.

You will see things thrown into the rhetoric that will give tax relief to those who do not pay taxes. To me, the surplus is a tax overcharge. That is like going to the store and buying something and being overcharged.

When that happens—and somebody discovers it, and somebody is honest enough to pay that back—I kind of expect them to pay it back to me. I do not expect them to pay it back to somebody who just happened to walk through the store. That is what we are talking about with some of the proposals that are being put out there.

We need to remember that the surplus is not some magical pot of money created by those in Washington. It is an overpayment of taxes by the American people. It is only fair that we return a portion of that overcharge to those who gave us this surplus in the first place.

My experience has been that if we do not give a large portion of this surplus back, we will see it disappear in the waning days of this Congress, as we feed the unquenchable appetite of the ravenous appropriations bills. How does that affect you? When we are voting on appropriations, we are spending a very small part of the American taxpayer's money on each and every proposal. I think the American taxpayer realizes, if you spend enough quarters, you have used all of their tax money. That is about what they put into a program—25 cents. Some people are more than willing to put 25 cents into a new program. But they ought to be able to pick which programs themselves and not rely on the beneficence or the unique knowledge that 100 of us have here and 435 have on the other end of the building. If they want to give, they should be able to give. They should get credit for giving, but they should be able to select what they want to give. They should be able to select what they want to buy. That is what the tax package does.

We also have a unique opportunity to simplify. Complexity is a tax burden. It is a tax burden for individuals. That is the No. 1 thing the National Taxpayer Advocates have pointed out: Complexity is the No. 1 problem. The No. 2 problem is complexity for small business, where a lot of individuals are trying to earn a living out there.

It is time to ax the tax and cut the burden down to size. We do need tax relief, and we need it now. President Bush's tax proposal is fair, responsible, and will benefit all American taxpayers. This tax plan will create jobs, it will spur economic growth, it will mean jobs for us and our kids, and it will support families in the essential task of raising children.

Let's return the tax overcharge and give the American people tax relief now.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I commend my colleague from Wyoming for his very strong, clear, and forceful statement supporting tax relief for the American people. It was well reasoned. I applaud him for making his statement and associate myself with it.

CORRECTION OF RECORD

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that an editorial I submitted last Thursday be stricken from the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX CUTS

Mr. HUTCHINSON. Mr. President, I also applaud President Bush for his leadership on the tax relief issue. He has come forward with a plan that I think will have the support of the American people and will provide them much needed relief.

Senator ENZI very correctly called the huge surplus that is projected over the next 10 years a tax overcharge. That is precisely what it is. The CBO has estimated the Federal surplus will total \$5.6 trillion over the next 10 years. Setting aside Social Security surplus revenues, the Federal surplus will total \$3.1 trillion. So if you take away the Social Security—put it in that lockbox—you still have \$3.1 trillion over that same period.

Our country and our Government has experienced a surplus for the last 3 years running, and we have paid down the national debt now by over \$363 billion. It is clear, we have to continue that path of fiscal responsibility. We have paid down the public debt \$363 billion.

President Bush has pointed to a very real problem that exists, and that is the increase in personal debt, consumer debt, in this Nation. One of the imperatives for providing tax relief to low- and middle-income working Americans is that that increasing personal debt, consumer debt, in this country can be addressed while we simultaneously address the problem of the national debt.

The Government also has an obligation to the American taxpayer who is now paying more in taxes than the Government is spending every year. The Federal tax burden is the highest ever during our peacetime history. Americans, as Senator ENZI pointed out, pay more in taxes than they spend on food, clothing, and housing.

Instead of growing Government bureaucracies, and devising new Federal programs on which to spend that surplus, it is incumbent on Congress to give taxpayers back some of the money they have overpaid because it is, in fact, their money.

President George W. Bush has proposed that we give back about one-quarter of the projected surplus, which allows us to pay down the national debt, protect Medicare, and ensure the viability of Social Security, and not touch the Social Security trust fund—all at the same time—and give back to the American people one-quarter of the tax overcharge, of the surplus.

I think that is extremely prudent. It is a smaller tax relief package than that which was proposed under President Reagan a number of years ago.

If, in fact, we do not return that money to the American people, the temptation will be so great in Washington, DC, that we will most assuredly spend it; every day politicians are devising means by which we can spend that surplus. So while you will hear those who are opposed to broad-based tax relief, no one will say they are opposed to tax cuts completely. They are all couching it and saying: I favor tax relief, but we want to target it to those who need it most.

That is Washington-speak for those who really don't want to provide tax relief for every taxpayer and who really believe that wisdom resides within the District of Columbia and that we can better decide where those precious resources should be expended than the American people.

The fundamental question is, when it comes to a tax relief package: Whom do you trust more? Do you trust the American people? Do you trust American families or do you believe that it is wiser and smarter for us to collect the tax revenues and then, in our sense of priorities, decide where those revenues will go?

We can prevent the tax relief debate from degenerating into a class warfare debate, and we can keep the focus on: Whom do you really trust, do you want to return the surplus to the American people, or do you want to keep it in Washington where we will divide it up and decide who are the winners and who are the losers and what programs should be started and what programs should be increased? That will be the debate we ought to have before the American people, and on the floor of the Senate.

President Bush has a number of key reforms in the plan with which he has come forward. He replaces the current five-rate tax structure with four lower rates—10, 15, 25, and 33.

I agree with George W. Bush: No American taxpayer should be required to give more than one-third of their income in Federal income taxes.

There was a time, back before Ronald Reagan was elected President, when the top rate for some Americans was 70 percent. That was obscene. Frankly, 33 percent is too high. No American ought to pay more than a third of their income in Federal taxes. President Bush simplifies it by replacing the five-rate tax structure with four lower rates.

The most common complaint about the current Tax Code is its complexity. While this isn't a panacea and it is not going to fix all of the problems in the Tax Code, at least it is a step toward greater simplification. I applaud that. It doubles the child tax credit to \$1,000. I was the original sponsor, when I was in the House of Representatives, of the \$500-per-child tax credit which eventually was signed into law. President Bush says we must go further; we need to double that \$500-per-child tax credit. He is right.

Americans who have the greatest burden from our tax system are those